

Erratic release of money by ATMs

1620. DR. K.V. P. RAMACHANDRA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that the ATM machines often release money in an erratic manner causing inconvenience and loss to the account holders; and

(b) to what extent the machine owning bank and the original bank are responsible in the case of loss to account holders due to ill functioning of ATMs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) and (b) Reserve Bank of India (RBI) has been receiving complaints from the bank customers regarding debit of accounts even though the ATMs have not disbursed cash for various reasons, and also that the banks take considerable time in reimbursing the amount involved to card holders in such failed transactions.

To improve the efficiency of banks in ATM transactions and to minimize inconvenience to the banks' customers, RBI has issued guidelines, whereby:

- i) The time limit for resolution of customer complaints by the issuing banks has been reduced from 12 working days to 7 working days from the date of receipt of customer complaint. Accordingly, failure to re-credit the customer's account within 7 working days of receipt of the complaint shall entail payment of compensation to the customer @ Rs. 100/- per day by the issuing bank;
- ii) The customer is entitled to receive such compensation for delay, if the claim is lodged with the issuing bank within 30 days of the date of the transaction;
- iii) All disputes regarding ATM failed transactions shall be settled by the issuing bank and the acquiring bank through the ATM System Provider only. No bilateral settlement arrangement outside the dispute resolution mechanism available with the system provider is permissible. This measure is intended to bring down the instances of disputes in payment of compensation between the issuing and acquiring banks.
- iv) Non-adherence to the above provisions shall attract penalty as prescribed under the Payment and Settlement Systems Act, 2007.